COLLÈGE DE SAINT-BONIFACE

Consolidated Financial Statements
For the year ended March 31, 2005

BDO Dunwoody LLP
Chartered Accountants
and Advisors

COLLÈGE DE SAINT-BONIFACE

Consolidated Financial Statements
For the year ended March 31, 2005

Table of Contents

Reports on the Consolidated Financial Statements

Auditor's Report 2

Consolidated Financial Statements

Statement of Financial Position 3

Statement of Changes in Fund Balances 4

Statement of Operations 5

Statement of Cash Flows 6

Notes to the Consolidated Financial Statements 7

Supplementary Information

Detailed Schedule of Financial Position by Funds 17

Detailed Schedule of Operations by Funds 18

Detailed Schedule of Operations of the General Operations Fund 19

Auditor's Report

To the Legislative Assembly of Manitoba
To the Board of Governors
Collège de Saint-Boniface

We have audited the consolidated statement of financial position of **Collège de Saint-Boniface** as at March 31, 2005, and the statements of operations, changes in fund balances and cash flows for the year then ended. These financial statements are the responsibility of Collège de Saint-Boniface's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with Canadian generally accepted auditing standards. These standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Collège de Saint-Boniface as at March 31, 2005, and the results of its operations and its cash flows for the year then ended in accordance with Canadian generally accepted accounting principles.

BDO Dunwoody LLP
Chartered Accountants

Winnipeg, Manitoba
May 13, 2005

COLLÈGE DE SAINT-BONIFACE
Statement of Financial Position

As at March 31	2005	2004
	$000	$000
Assets		
Current assets		
Cash and cash equivalents (note 3)	**21,036**	20,635
Accounts receivable and other assets	**2,232**	1,982
	23,268	22,617
Capital assets (note 4)	**10,190**	10,065
	33,458	32,682
Liabilities and Fund Balances		
Current liabilities		
Accounts payable and accrued liabilities	**3,269**	3,409
Deferred income	**744**	451
Deferred contributions (note 5)	**1,069**	480
	5,082	4,340
Fund Balances		
Unrestricted	**698**	1,482
Internally restricted (note 10)	**9,798**	9,618
Investment in capital assets	**10,190**	10,065
Endowment	**7,690**	7,177
	28,376	28,342
	33,458	32,682

Approved by Collège de Saint-Boniface Board of Governors on June 14, 2005.

"[illegible]", Chair
"Raymonde Gagné", President

The accompanying notes are an integral part of these consolidated statements.

COLLÈGE DE SAINT-BONIFACE
Statement of Changes in Fund Balances

For the year ended March 31, 2005

	Unrestricted $000	Internally Restricted $000	Investment in Capital Assets $000	Endowment $000	2005 $000	2004 $000
Balance, beginning of year	1,482	9,618	10,065	7,177	28,342	26,332
Excess of revenues over expenses	240	-	(719)	513	34	2,010
Appropriated to internally restricted (note 10)						
Interest income	(192)	192	-	-	-	-
Appropriated from internally restricted (note 10)	12	(12)	-	-	-	-
Transfers						
Capital assets purchased	(844)	-	844	-	-	-
Net change for year	(784)	180	125	513	34	2,010
Balance, end of year	698	9,798	10,190	7,690	28,376	28,342

The accompanying notes are an integral part of these consolidated statements.

COLLÈGE DE SAINT-BONIFACE
Statement of Operations

For the year ended March 31	2005	2004
	$000	$000
Revenues		
Provincial grants	8,909	9,277
Tuition fees	3,018	3,018
Federal grants	2,920	3,524
Other revenues	2,076	1,905
Investment income	966	1,008
Gifts, grants and bequests	499	1,186
	18,388	19,918
Expenses		
Salaries	11,178	10,854
Supplies, services and other expenses	3,953	3,901
Employee benefits	1,388	1,344
Amortization of capital assets	857	883
Scholarships and awards	470	457
Building, utilities and related expenses	297	276
Travel and conferences	211	193
	18,354	17,908
Excess of revenues over expenses	34	2,010

The accompanying notes are an integral part of these consolidated statements.

COLLÈGE DE SAINT-BONIFACE
Statement of Cash Flows

For the year ended March 31	2005	2004
	$000	$000
Cash provided by (used in) operating activities		
Excess of revenues over expenses	34	2,010
Items not affecting cash flow		
Amortization of capital assets	857	883
	891	2,893
Decrease (increase) in non-cash working capital		
Accounts receivable and other assets	(250)	(119)
Accounts payable and accrued liabilities	(140)	754
Deferred income	293	79
Deferred contributions	589	(1,241)
	1,383	2,366
Cash provided by (used in) investing activities		
Capital asset additions	(982)	(1,109)
Increase in cash and cash equivalents	401	1,257
Cash and cash equivalents, beginning of year	20,635	19,378
Cash and cash equivalents, end of year	21,036	20,635

The accompanying notes are an integral part of these consolidated statements.

As at March 31, 2005

1. Purpose of Collège de Saint-Boniface (CSB)

CSB is a Manitoba post-secondary institution operating under the authority of An Act to Incorporate the Collège de Saint-Boniface, 1871, as subsequently amended. It falls under the jurisdiction of the Council on Post-Secondary Education. As CSB is affiliated with the University of Manitoba, its degrees and diplomas are issued in the names of both institutions.

The primary role of CSB is to provide post-secondary education and training in the humanities, sciences, social sciences and other areas of human intellectual, cultural, social and physical development in French. The objectives of CSB are as follows:

a) to promote higher education for the Francophone student population;
b) to promote French culture by providing a French milieu as an integral part of the French community;
c) to provide leadership for the French community of today and tomorrow, continuing the process of more than a century of contribution to the culture and education of Canada;
d) to promote the French fact as a basic element of a Canada which recognizes an equal partnership between the two founding races; and
e) to provide the opportunity for students from Anglophone universities and high school immersion programs, sufficiently fluent in French, of furthering their studies in a French milieu.

CSB is a registered charity and is therefore exempt from the payment of income tax, pursuant to Section 149 of the Income Tax Act.

2. Summary of Significant Accounting Policies and Reporting Practices

These financial statements have been prepared in accordance with Canadian generally accepted accounting principles. CSB has adopted the fund accounting methodology, and the restricted method of recognizing contributions. Restricted contributions are recognized as revenue in the year in which expenses are incurred. Unrestricted contributions are recognized as revenue when received. Endowment contributions are recognized as direct increases in net assets, as are contributions providing for the acquisition and development of capital assets.

2. **Summary of Significant Accounting Policies and Reporting Practices (cont'd)**

L'Oeuvre des Bourses du Collège de Saint-Boniface, an endowment administered by CSB, has been consolidated with CSB.

CSB has three funds: General Operations, Endowment and Capital Assets.

General Operations accounts for CSB program delivery and administrative activities. This fund reports unrestricted resources and restricted operating grants. It includes the following operations and activities:

- university (Universitaire);
- community college (École technique et professionnelle);
- continuing education (Éducation permanente);
- Institut Joseph-Dubuc;
- Centre d'études franco-canadiennes de l'ouest;
- special projects and certain general administrative operations, i.e. IT operations and Multimedia Centre (Fonds administratif)
- restricted contributions for research and special purposes other than capital asset acquisition and development; and
- internally restricted funds.

The Endowment fund reports the resources contributed for student awards such as bursaries and scholarships. Investment income earned on resources of the Endowment fund, which are co-mingled with the assets of the General Operations fund, is reported in the Endowment fund.

Capital Assets

Purchased capital assets are recorded at cost. Contributed capital assets are recorded at fair value at the date of contribution. Amortization is provided on a straight-line basis over the assets' estimated useful lives, which are

Buildings and improvements	60 years
Equipment, furniture and furnishings	10 years
Information Technology equipment and software	5 years

Library acquisitions (books, periodicals, video, audio, etc.) are catalogued and expensed in the year of acquisition. The rare book collection, most of which is donated, is inventoried and insured, but its contents are not recorded and amortized as capital assets. If library acquisitions were recorded as capital assets and amortized over a period of ten years, it is estimated that the recorded cost would be approximately $3 million, with the unamortized balance being approximately $400,000. No estimate of the cost of collections is available.

2. **Summary of Significant Accounting Policies and Reporting Practices (cont'd)**

Gifts-in-kind are occasionally donated to CSB, but the value of such gifts is not reported as donations, nor are asset values reported and amortized as capital assets. Such gifts are estimated as having been immaterial in the last two years, and not significant in prior years.

Amortization expense is reported in the Capital Assets fund.

Inventories

Purchases of supplies are expensed in the year of acquisition; inventories are considered immaterial and not recorded at year-end. CSB contracts out food services and does not operate a bookstore.

Investments

Investments are recorded at the lower of cost and market value.

Revenue Recognition

Restricted contributions related to general operations are recognized as revenue of the General Operations fund in the year in which the related expenses are incurred, or the project or activity is completed. All other restricted contributions are recognized as revenue of the appropriate restricted fund, being either the Endowment or the Capital Assets fund.

Unrestricted contributions are recognized as revenue of the General Operations fund in the year received.

Contributions for endowment are recognized as revenue in the Endowment fund. Investment income earned on Endowment fund resources, whether restricted or unrestricted, is recognized as revenue of the Endowment fund. As the purpose of contributions to the Endowment fund is to provide student awards such as bursaries and scholarships, and as investment income earned on resources contributed for these purposes is related, the Endowment fund in its entirety is considered an externally restricted fund, not to be used for any purpose other than for student awards.

Other investment income, as earned on non-Endowment resources, is recognized as revenue of the General Operations fund.

Internally Restricted Funds

The Board of Governors has established provisions for various known and unexpected purposes, events and circumstances. These provisions represent transfers of unrestricted net assets from the General Operations fund.

Each year, the Board makes determinations as to withdrawals from and additions to these provisions. A Board policy governs the process of establishing, discontinuing, adding to and withdrawing from these provisions.

Contributed Services

Volunteers contribute hundreds of hours per year to assist CSB programs and activities. Notwithstanding the substantial value of these services, because of the difficulty of determining their fair value, contributed services are not recognized in the financial statements.

3. Cash and Cash Equivalents

Cash and cash equivalents are recognized as follows:

	2005	2004
	$000	$000
Cash	36	(65)
Short-term investments*	21,000	20,700
	21,036	20,635

*Includes deposit receipts, treasury bills, coupons, and government bonds.
The fair market value of the short-term investments at March 31, 2005 is $21,142,000 ($21,220,000 at March 31, 2004).

4. Capital Assets

	Cost	Accumulated Amortization	2005 Net Book Value	2004 Net Book Value
	$000	$000	$000	$000
Buildings and improvements	14,070	6,996	7,074	7,104
Equipment, furniture and furnishings	3,851	1,818	2,033	1,808
Computer equipment and software	6,563	5,480	1,083	1,153
	24,484	14,294	10,190	10,065

5. Deferred Contributions

Deferred contributions represent contributions received for projects and similar endeavours, and unspent funds for externally restricted purposes. Changes in the deferred contributions are as follows:

	2005	2004
	$000	$000
Balance, beginning of year	480	1,721
Contributions received	1,677	586
Transfers to revenue	(1,088)	(1,827)
Change in year	589	(1,241)
Balance, end of year	1,069	480

6. Employee Benefit and Pension Plan Obligations

Employee future benefits other than pension represent medical, dental and life insurance and disability plan commitments, met jointly through premiums to insurers by CSB and its employees. CSB has a self-insured short-term disability plan, and meets these costs as absences due to illness or accident arise. Faculty study and sabbatical leaves are expenses in the year taken. CSB accrues a liability for the future vacations of its faculty and other personnel, and with respect to administrative leaves.

CSB's pension plan is a money-purchase plan; its required contributions to these plans represent CSB's full obligation, and there is no contingent liability related to the investment performance of the plan.

The Board of Governors is committed to consider amending the pension plan to include a minimum annuity provision related to length of service and past earnings of employee members of the plan.

The Board has set aside $1,100,000 as an internally restricted fund to provide for an amendment, subject to research as to feasibility. No estimate is currently available as to whether the funds set aside will be sufficient to facilitate the implementation of the proposed amendment.

7. Financial Instruments

The financial instruments of CSB consist of cash and cash equivalents, accounts receivable, accounts payable and accrued liabilities. Unless otherwise noted, it is management's opinion that CSB is not exposed to significant interest, currency or credit risks arising from these financial instruments. CSB has not purchased financial derivatives, either as currency or interest rate hedges.

8. Commitments

CSB has lease obligations that cover equipment integral to operations. The lease obligations expire at various dates over the next five years. These lease contracts require annual payments of less than $100,000 per annum.

9. Property Taxes

Property taxes were $201,540 (2004–2005), as compared to $277,546 (2003–2004). In 2001, the Government of Manitoba announced the phasing out of property taxes on universities over a five-year period; provincial grants were not reduced.

As at March 31, 2005

10. Internally Restricted Fund Balances

	Opening	Transactions Additions	Withdrawals	Closing
	$000	$000	$000	$000
Development				
Research and library	306	6	12	300
Bursary and scholarship	2,040	41	-	2,081
French and English support	510	10	-	520
Gift matching	510	10	-	520
Non-building capital assets	316	7	-	323
	3,682	74	12	3,744

	Opening	Transactions Additions	Withdrawals	Closing
	$000	$000	$000	$000
Special Purpose/On-going				
Recruitment and marketing	61	1	-	62
Administrative restructuring	102	2	-	104
Equipment repair and replacement	603	12	-	615
Legal contingency	510	10	-	520
Employee contractual provisions	306	6	-	312
	1,582	31	-	1,613

	Opening	Transactions Additions	Withdrawals	Closing
	$000	$000	$000	$000
Future Purpose				
Student support	70	2	-	72
Pension plan amendment	1,122	22	-	1,144
Student residence	1,020	20	-	1,040
Gift matching	510	10	-	520
IT security	102	2	-	104
Program bridging	1,530	31	-	1,561
	4,354	87	-	4,441
Internally restricted funds	9,618	192	12	9,798

10. Internally Restricted Fund Balances (cont'd)

In accordance with the policy adopted for 2004-2005, internally restricted Development funds bear interest at 2% per annum; this to protect the balances of the funds from inflation.

Special Purpose On-going funds are available to meet expenditure requirements in excess of annual budgeted allocations, subject to approval by the Board of Governors. Future Purpose funds are available to (a) meet major future projects as additional funding is made available and plans are completed (student residence, IT security); (b) proceed with intended directions (major fundraising campaign and gift matching, pension plan amendment), and (c) provide for the risk of an unexpected future decline in grant support for on-going academic programming (program bridging).

A brief description of each internally restricted fund follows:

Development - Research and Library: investment income on the balance of this fund is available to supplement the annual budgetary allocation to library acquisitions to meet extraordinary opportunities or needs.

Development - Bursary and Scholarship: investment income on the balance of this fund is available to enhance the annual budgetary allocation to student awards derived from the externally restricted Endowment fund and annual gifts and grants.

Development - French and English Support: investment income on the balance of this fund is available to supplement the annual budgetary allocation to support services to upgrade French and English literacy amongst CSB students.

Development - Gift Matching: investment income on the balance of this fund is available to supplement annual budgetary allocations in support of annual fundraising activities, to meet extraordinary opportunities as such may arise.

Development - Non-building Capital Assets: investment income on the balance of this fund is available to supplement annual budgetary allocations to academic and administrative technology purchases, to provide the opportunity to seize extraordinary opportunities and meet unexpected requirements. Withdrawals will be reimbursed within two years, given sufficient unrestricted funds.

Special Purpose, On-going - Recruitment and Marketing: withdrawals may be made to facilitate unexpected opportunities with respect to student and faculty recruitment, and advance marketing initiatives. Withdrawals will be reimbursed within two years, given sufficient unrestricted funds.

10. Internally Restricted Fund Balances (cont'd)

Special Purpose, On-going - Administrative Restructuring: CSB will be engaging additional administrative personnel in response to recommendations made by the Auditor General. Offices, furniture, furnishings and equipment will be required to support the new staff positions. This fund will supplement the annual budgetary allocation for non-major capital acquisitions, to support the equipping of these additional administrative resources. Once this fund is depleted, it will be closed.

Special Purpose, On-going - Equipment Repair and Replacement: withdrawals from this fund may be made to meet unexpected equipment repair and replacement requirements. Withdrawals will be reimbursed within two years, given sufficient unrestricted funds.

Special Purpose, On-going - Legal Contingency: this fund is available to meet legal expenses arising out of unanticipated events. Withdrawals will be reimbursed within five years, given sufficient unrestricted funds.

Special Purpose, On-going - Employee Contractual Provisions: study and sabbatical leaves are available to faculty members pursuant to the collective agreement. Each year, a budget is established to meet anticipated costs for the forthcoming fiscal year. This fund is available to meet unexpected and related costs, which may occur due to timing differences and other factors. Withdrawals will be reimbursed within three years, given sufficient unrestricted funds.

Special Purpose, Future Purpose - Student Support: the purpose of this fund is to meet the needs of the École technique et professionnelle's highly diverse clientele.

Special Purpose, Future Purpose - Pension Plan Adjustment: this fund is available to facilitate the amendment of the current pension plan to provide Plan members with the option of an annuity. Research will be conducted as to feasibility. If the amendment is implemented, the balance of this fund may be found to be inadequate, requiring an additional transfer from the unrestricted fund balance. The Board of Governors is not bound to implement such an amendment, regardless of the results of the research.

Special Purpose, Future Purpose - Student Residence: in the future, CSB intends to develop a new student residence. Currently, CSB residence space is available for only 5% of its students, insufficient for an educational institution that has the highest proportion of foreign students of Manitoba's universities. Generally speaking, capital projects funded by the provincial government require a contribution from the institution.

Special Purpose, Future Purpose - Gift Matching: CSB intends to mount a major fundraising campaign at some future point in time; this fund provides the financial ability to support such an effort.

10. Internally Restricted Fund Balances (cont'd)

Special Purpose, Future Purpose - IT Security: CSB intends to upgrade the security of its technology functions and processes, and this fund sets aside funds to research requirements and opportunities.

Special Purpose, Future Purpose - Program Bridging: program expenditures are primarily fixed cost in nature and funding reductions could not be quickly matched by expenditure reductions. This fund provides financial security for CSB, enabling it to plan and implement programming of a long-term nature with funding assured only on a short-term renewable basis.

11. Estimates

The preparation of financial information requires management to make estimates and assumptions that affect reported amounts of assets and liabilities at the date of the financial statements and reported amounts of revenues and expenses during the year. Actual results could differ from those estimates.

COLLÈGE DE SAINT-BONIFACE
Detailed Schedule of Financial Position by Funds

As at March 31

	General Operations $000	Capital Assets $000	Endowment $000	2005 $000	2004 $000
Assets					
Current assets					
Cash and cash equivalents (note 3)	20,205	-	831	21,036	20,635
Accounts receivable and other assets	2,143	-	89	2,232	1,982
	22,348	-	920	23,268	22,617
Capital assets (note 4)	-	10,190	-	10,190	10,065
Interfund balance	(6,795)	-	6,795	-	-
	15,553	10,190	7,715	33,458	32,682
Liabilities and Fund Balances					
Current liabilities					
Accounts payable and accrued liabilities	3,244	-	25	3,269	3,409
Deferred income	744	-	-	744	451
Deferred contributions (note 5)	1,069	-	-	1,069	480
	5,057	-	25	5,082	4,340
Fund balances					
Unrestricted	698	-	-	698	1,482
Internally restricted (note 10)	9,798	-	-	9,798	9,618
Investment in capital assets	-	10,190	-	10,190	10,065
Endowment	-	-	7,690	7,690	7,177
	10,496	10,190	7,690	28,376	28,342
	15,553	10,190	7,715	33,458	32,682

COLLÈGE DE SAINT-BONIFACE
Detailed Schedule of Operations by Funds

For the year ended March 31

	General Operations $000	Capital Assets $000	Endowment $000	2005 $000	2004 $000
Revenues					
Federal grants	2,920	-	-	2,920	3,524
Provincial grants	8,771	138	-	8,909	9,277
Tuition fees	3,018	-	-	3,018	3,018
Gifts, grants and bequests	-	-	499	499	1,186
Investment income	650	-	316	966	1,008
Other revenues	1,991	-	85	2,076	1,905
	17,350	138	900	18,388	19,918
Expenses					
Salaries	11,090	-	88	11,178	10,854
Employee benefits	1,380	-	8	1,388	1,344
Supplies, service and other expenses	3,824	-	129	3,953	3,901
Building, utilities and related expenses	297	-	-	297	276
Scholarships and awards	308	-	162	470	457
Amortization of capital assets	-	857	-	857	883
Travel and conferences	211	-	-	211	193
	17,110	857	387	18,354	17,908
Excess of revenues over expenses	240	(719)	513	34	2,010

COLLÈGE DE SAINT-BONIFACE
Detailed Schedule of Operations of the General Operations Fund

For the year ended March 31

	Universitaire $000	École technique et profession-nelle $000	Éducation permanente $000	Fonds administratif $000	Institut Joseph-Dubuc $000	Centre de recherché $000	Centre d'études franco-canadiennes de l'ouest $000	2005 $000	2004 $000
Revenues									
Federal grants	98	320	184	1,964	353	1	-	2,920	3,524
Provincial grants	6,230	1,736	12	676	-	-	-	8,771	9,117
Tuition fees	2,124	278	482	134	-	-	-	3,018	3,018
Investment income	-	11	-	639	-	-	-	650	715
Other revenues	302	66	414	1,006	177	26	-	1,991	1,811
	8,754	2,411	1,209	4,419	530	27	-	17,350	18,185
Expenses									
Salaries	6,118	1,853	795	1,939	363	22	-	11,090	10,809
Employee benefits	795	207	93	269	11	5	-	1,380	1,340
Supplies, service and other expenses	1,462	515	323	1,464	57	3	-	3,824	3,735
Building, utilities and related expenses	182	41	11	63	-	-	-	297	276
Scholarships and awards	5	-	-	303	-	-	-	308	293
Travel and conferences	88	15	5	61	42	-	-	211	192
	8,650	2,631	1,227	4,099	473	30	-	17,110	16,645
Excess of revenues (expenses)	104	(220)	(18)	320	57	(3)	-	240	1,540

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